



JARA NEWS

JAPAN AUTOMOBILE RECYCLE NETWORK NEWS

Vol. 80 OCTOBER 2014 <http://www.jara.co.jp>

Published by JARA Corporation

Tokyo Head Office: Shinwa Bldg. 1-2-2-7F

Nihonbashi, Chuo-ku, Tokyo, JAPAN 103-0027

Phone: +81 3 3548 3010 / Fax: +81 3 3231 4690

METI report cites lack of awareness of reuse and rebuilt parts and need for classification

An interim report released on August 18 by a Ministry of Economy, Trade and Industry group studying the establishment of standards for automotive reuse and rebuilt parts found that 90 percent of vehicle owners who did not have repairs done with reuse or rebuilt parts were unaware of such parts. The report said a parts-classification system was needed to make it easier for both vehicle owners and repair shops to understand reuse and rebuilt parts. The group was formed on Jan. 14, 2014 under the auspice of the Automobile Division of METI's Manufacturing Industries Bureau. The interim report was issued after the group's fifth meeting. All meetings have been attended by knowledgeable persons, industry and consumer representatives. Below is a summary of the report.

Concerns of quality among car owners

According to a survey on recycled parts, conducted by the General Insurance Association of Japan in 2013, while many car owners who had reuse or rebuilt parts used in repair expressed

satisfaction, some expressed dissatisfaction in terms of quality and safety.

Of those who had not had repair on their vehicles done using reuse or rebuilt parts, 90 percent gave such reasons as "Did not know about recycled parts" or "Was not told about such parts by the repair shop or insurance company". The study group concludes that it is important to create an environment in which the existence of reuse and rebuilt parts is easily communicated from repair shops to car users, thereby reducing opportunity loss.

Among vehicle owners who were aware of reuse or rebuilt parts, nearly 65 percent did not use such parts cited "Dissatisfied with or have concerns about such parts" as the reason. The study group concludes that it is important that vehicle owners should be helped to understand the conditions of reuse and rebuilt parts so that they can consider their use. Accurate and easy-to-understand information on such parts

Direction toward establishment of standards for reuse and rebuilt parts

The difference between reuse and rebuilt parts has been defined based on the difference in the processes for commercialization of such parts. As such, reuse parts are defined as "parts for which quality checks, cleaning or beautification are performed without disassembling," and rebuilt parts are defined as "parts reassembled using new components to replace worn or deteriorated ones."

On the other hand, vehicle owners and

CO₂ Reduction Result (based on Super-Line System)

The use of Reuse Parts saved
2,725 tons of CO₂ emissions
in August 2014

The reference figure represents the difference of carbon dioxide (CO₂) emissions at the vehicle repair using genuine (new) parts and recycled parts.*

*: Based on "Green Point System", which was jointly developed by the Japan Automotive Parts Recyclers Association and Waseda University Environmental Research Institute using a life cycle assessment (LCA) technique.

repair shops view reuse and rebuilt parts in terms of how their functions and performance compare with new genuine replacement parts.

The study group concludes that, taking into consideration ease of understanding by vehicle owners and repair shops, a rough classification should be used that groups reuse parts into "used parts for reuse as is", and that groups rebuilt parts into "used parts with restored functionality for reuse".

Expected effects of the standards

1) Forming an appropriate market environment

Reuse and rebuilt parts are currently commercialized depending on each company's criteria, and then supplied to the market. A well-established practice in

—Continued on Page 2



